

FILED

STATE OF NORTH CAROLINA 2021 SEP 15 IN THE GENERAL COURT OF JUSTICE
COUNTY OF WAKE WAKE CO., C.S.C. SUPERIOR COURT DIVISION 20 CVS 8215

STATE OF NORTH CAROLINA, ~~ex rel.~~
JOSHUA H. STEIN, Attorney General,

Plaintiff,

v.

STEPPING STONE PHLEBOTOMY, LLC,
Defendant.

**JUDGMENT BY CONSENT AND
AGREED PERMANENT INJUNCTION**

THIS MATTER coming on to be heard before the undersigned Judge ~~presiding over the~~
~~September __, 2021, civil session~~ of Wake County Superior Court pursuant to the parties’
joint application for the entry of a Judgment by Consent and Agreed Permanent Injunction in the
above-captioned cause; and the parties having represented to the Court that the terms and
conditions of the Judgment by Consent and Agreed Permanent Injunction set forth below
represent a negotiated compromise; and the Court finding and concluding, based upon its
examination of the record in this cause, the representations of the parties, and the parties
assent hereto, as shown by their signatures below, that entry of this Judgment by Consent and
Agreed Permanent Injunction is in the public interest and represents an appropriate resolution to
this litigation; and the Court finding further that:

I. BRIEF HISTORY OF THE CASE

1. Plaintiff, by and through its duly-elected Attorney General, brought this action
against defendant on July 24, 2020, alleging, *inter alia*, that defendant violated the Unfair and
Deceptive Trade Practices Act, N.C. Gen. Stat. § 75-1.1, *et seq.*, by unlawfully operating a

proprietary school without a license, as mandated by N.C. Gen. Stat. § 115D-90, *et seq.*, failing to disclose to consumers the shortcomings of its programs and how they limit the value to prospective students, and making false statements about prospective students' employment prospects and qualifications, leaving many potentially unqualified students unable to achieve national certification.

2. This Court entered a Temporary Restraining Order (TRO) against defendant on August 3, 2020, which prohibited defendant from, *inter alia*, conducting proprietary school business activities and accessing related business accounts in North Carolina. A Preliminary Injunction was issued against defendant Stepping Stone Phlebotomy on August 13, 2020.

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

3. After reviewing the facts in this case, the Court independently makes the foregoing findings of fact and conclusions of law.

4. The parties jointly agree and this Court hereby concludes that it has both personal jurisdiction over each of the defendant, as well as subject matter jurisdiction in this cause, and that resolving this cause through the terms and conditions set forth below would be just and appropriate.

5. The parties jointly agree, and this Court hereby concludes, that operating a proprietary school without a license, as required by N.C. Gen. Stat. § 115D-90, *et seq* constitutes an unfair and deceptive trade practice under N.C. Gen. Stat. § 75-1.1. Furthermore, the State has received information that three hundred and thirty (330) students paid for and/or attended unlicensed courses at Stepping Stone. Stepping Stone later applied for a license and was eventually licensed in November 2020.

6. The parties jointly agree, and this Court hereby concludes, that the parties have voluntarily entered into the compromise detailed herein to resolve this matter and that doing so is

in the public interest.

III. AGREED PERMANENT INJUNCTION

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED, with the consent of the parties and pursuant to N.C. Gen. Stat. § 75-14, that each of the defendant, together with their corporate officers, employees, agents, representatives, successors and assigns, as well as any other party or parties acting in concert therewith, be and hereby are permanently enjoined from the following activities **WHILE UNLICENSED** with the North Carolina State Board of Proprietary Schools (SBPS):

7. Advertising, offering, or entering into contracts for educational or instructive products or services in North Carolina;

8. Soliciting or accepting deposits or payments from consumers for educational or instructive products or services in North Carolina;

9. Collecting any further payment, directly or indirectly, from consumers for educational or instructive products or services in North Carolina; and

10. Transferring, concealing, or encumbering any assets of defendant pending further order of the Court.

IV. AGREED NOTICE TO FORMER STUDENTS AND RESTITUTION

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED, with the consent of the parties and pursuant to N.C. Gen. Stat. § 75-15.1, the Court:

11. Orders defendant to immediately, upon request, provide a full refund – in an amount equal to all tuition and fees paid to defendant – to any student who attended defendant’s unlicensed programs, but who ultimately failed to pass the national certification examination.

12. Defendant shall send notice to all former students informing them of the availability

of refunds pursuant to the preceding paragraph and the procedure for requesting said refund. The form and contents of this notice to be approved by the Attorney General before it is sent out to former students.

V. ASSESSMENT OF CIVIL PENALTIES AND SUSPENSION

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED, with the consent of the parties and pursuant to N.C. Gen. Stat. § 75-8 and § 75-15.2, the Court:

13. Orders defendant to pay the plaintiff a civil penalty of one thousand dollars (\$1,000) for each of the 330 separate violations of the Unfair and Deceptive Trade Practices Act in a total amount of three hundred and thirty thousand dollars (\$330,000). This Civil Penalty is suspended subject to the provisions below.

14. The suspension of the judgment will be lifted as to any defendant if, upon the plaintiff's motion, the Court finds that any defendant has violated this Consent Judgment in any material way.

15. If the suspension of the judgment is lifted, the judgment becomes immediately due as to that defendant in the amount specified in this Section (which the parties stipulate only for purposes of this Section represents the amount of the civil penalty for the violations alleged in the Complaint).

VI. MONETARY PAYMENT

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED, with the consent of the parties, that:

16. Defendant shall pay the State a total of six thousand dollars (\$6,000). Payment shall be made by means of a check made payable to "The North Carolina Department of Justice" by installments in accordance with the following schedule:

- a. An initial installment of \$2,000 paid to the State no later than thirty (30) days after the entry of this Consent Judgment;
- b. A second installment of \$2,000 paid to the State no later than one year after the entry of this Consent Judgment;
- c. A final installment of \$2,000 paid to the State no later than two years after the entry of this Consent Judgment.

17. The above payments shall be used by the State as and for attorneys' fees and other costs of investigation and litigation, or be placed in, or applied to, the consumer protection enforcement fund, including future consumer protection enforcement, consumer education, litigation, or local consumer aid fund or revolving fund, used to defray the costs of inquiry leading hereto, or for other uses permitted by state law, at the sole discretion of the North Carolina Attorney General.

18. Failure to tender an installment payment as provided by this section, by the dates proscribed, shall constitute a material violation of this Consent Judgment, allowing the State to enforce the full terms of this Consent Judgment, including, but not limited to, by moving to lift the suspension of civil penalties pursuant to paragraph 14.

VII. MISCELLANEOUS

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED, with the consent of the parties, that:

19. This Court retains jurisdiction in this cause in order to ensure defendant's compliance with the foregoing provisions and to entertain any appropriate motions for the modification thereof;

20. The plaintiff retains the right to move to compel compliance with, or punish

violations of, this Consent Judgment as outlined herein;

21. Nothing in this Consent Judgment shall be construed to prohibit the plaintiff from investigating future complaints received against defendant and taking all appropriate action thereupon;

22. This Consent Judgment in no way precludes the plaintiff from bringing other claims for relief against defendant;

23. Defendant shall cooperate in good faith with the terms of this Consent Judgment;

24. Defendant shall cooperate in good faith with the State in responding to requests for information by the State, including any request by the State for administrative, operational, and financial information;

25. Defendant shall cooperate in good faith to resolve any outstanding and/or future customer complaints filed with the Attorney General's Consumer Protection Division;

26. The undersigned represent and warrant that they are authorized to enter into this Consent Judgment on behalf of the parties.


This the 15th day of September, 2021.



SUPERIOR COURT JUDGE

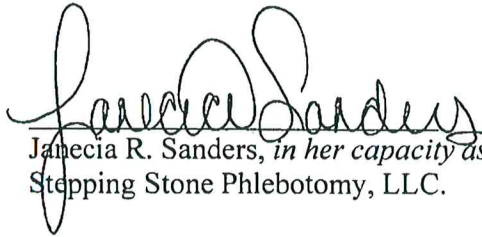
WE CONSENT:

**FOR THE STATE OF NORTH CAROLINA,
ex rel. ATTORNEY GENERAL JOSHUA H. STEIN**

By: 

Kimberley A D'Arruda
Special Deputy Attorney General

FOR STEPPING STONE PHLEBOTOMY, LLC.

By: 

Janecia R. Sanders, *in her capacity as Chief Executive Officer of*
Stepping Stone Phlebotomy, LLC.